REMARKS

I. Amendments

Claims 1-12 and 17-22 are canceled. New claims 28-36 are being added. The newly added claims do not add new matter and are completely supported by the application as originally filed. Support may be found throughout the specification and originally filed claims.

Amendments to the claims are made without prejudice to the pending or now canceled claims or to any subject matter pursued in related applications. Moreover, the amendments are made solely to expedite prosecution of the application and are not intended to limit the scope of the invention. Applicants reserve the right to prosecute any canceled subject matter at a later time or in a later filed divisional, continuation or continuation-in-part application.

Upon entry of the amendments, claims 28-36 are pending in the instant application.

II. Rejections

A. Rejection under 35 U.S.C. § 112, first paragraph

Claims 1-12 and 17-22 were rejected under 35 U.S.C. § 112, first paragraph, as allegedly containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the Applicant, at the time the application was filed, had possession of the claimed invention. Applicants respectfully traverse this rejection. In view of the cancellation of claims 1-12 and 17-22, the Examiner's rejection under 35 U.S.C. § 112, first paragraph, is moot.

The Examiner has rejected claims 5-12 and 17-22 under 35 U.S.C. § 112, first paragraph, asserting that the specification does not enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make the invention commensurate with the scope of the claims. Applicants respectfully traverse this rejection. In view of the cancellation of these claims, the Examiner's rejection under 35 U.S.C. § 112, first paragraph, is moot.

Applicants respectfully request withdrawal of the rejections under 35 U.S.C. § 112, first paragraph. Applicants submit that new claims 28-36 fully meet the requirements and are patentable under 35 U.S.C. § 112, first paragraph.

B. Rejection under 35 U.S.C. § 112, second paragraph

The Examiner rejected claims 1-4, 9, 10 and 19 under 35 U.S.C. § 112, second paragraph, for allegedly being indefinite for failing to particularly point out and distinctly claim the subject

matter regarded as the invention. Applicants respectfully traverse this rejection. However, Applicants have canceled claims 1-4, 9, 10 and 19. The Examiner's rejection is therefore no longer relevant. Withdrawal of the rejection under 35 U.S.C. § 112, second paragraph, is respectfully requested.

Applicants submit that new claims 28-36 are definite and particularly point out and distinctly claim the subject matter regarded as the invention in accordance with 35 U.S.C. § 112, second paragraph.

C. Rejection under 35 U.S.C. § 102

Claims 1-10 were rejected under 35 U.S.C. § 102(b) as allegedly anticipated by Luo *et al.*, *Genes & Development*, 1995, Vol 9, pages 2808-2820 ("Luo"). Applicants respectfully traverse this rejection. The rejection, however, is no longer relevant as a result of the cancellation of these claims.

Applicants submit that new claims 28-36 are not anticipated by the disclosure of Luo. Specifically, the pending claims recite targeting constructs, transgenic mice comprising a disruption in a murine BMP gene which exhibit specific phenotypes as disclosed in the specification, methods of producing the transgenic mice, and cells having disruptions in murine BMP genes, none of which are taught or disclosed by the teachings of Luo.

As the rejection under 35 U.S.C. § 102(b) is no longer relevant as a result of the cancellation of claims 1-10, and new claims 28-36 are not anticipated by the teaching of Luo, Applicants respectfully request withdrawal of the rejection under 35 U.S.C. § 102(b).

It is believed that the claims are in condition for allowance, and notice to that effect is respectfully requested. The Commissioner is hereby authorized to charge any deficiency or credit any overpayment to Deposit Account No. 50-1271 under Order No. R-268.

Respectfully submitted,

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